EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
JUNE 2005 PROJECT PIPELINE UPDATE

This report was last updated on **June 2005**. The information contained on this report will reflect the status of each project and new project entries.

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I. INTRODUCTION AND GUIDE TO EBRD'S PROJECT PIPELINE:

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about $29billion) to both private and state sector projects. All projects provide a number of procurement opportunities. U.S. companies can access information about EBRD's projects through the EBRD's website www.ebrd.com/oppor/procure/opps/index.htm.

The interval between identification of a project and its approval varies in every case. Each entry in the Project Pipeline identifies the status of a particular project in the project cycle.

After loans are approved, entries are dropped from the Project Pipeline and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to state sector projects. In that they are followed with international tendering processes, whereas procurement under private sector projects are completed by the EBRD's clent. In which case it would be important to contact the EBRD's client directly.

Inclusion of a project in the Bank's Project Pipeline does not imply any commitment on the part of the Bank to finance the project.

New projects, which appear in the Project Pipeline for the first time, are indicated by the abbreviation (N) before the project name. For additional information on any of these projects, interested parties are requested to contact the executing agencies directly and NOT the European Bank.

II. Projects Scheduled for Board Consideration:

	Project name	Country	Date disclosed
A	LUKAGIP - Shah Deniz Gas Condensate Field Development	Azerbaijan	27 May 2005
B	CABLE-R	Russia	27 May 2005
C	AB Lietuvos Elektrine	Lithuania	27 May 2005
D	Krakow District Heating Project	Poland	27 May 2005
E	Sitall	Russia	27 May 2005
F	JFC Group Debt Facility	Russia	27 May 2005
G	LUKAGIP - South Caucasus Gas Pipeline	Regional	27 May 2005
H	Promsvyazbank SME Credit Line	Russia	26 May 2005
I	Sofia Water Infrastructure PPP	Bulgaria	26 May 2005
J	Transcapitalbank SME Credit Line	Russia	26 May 2005
K	European Drinks	Romania	25 May 2005
L	Ukrrichflot III - Follow On Loan	Ukraine	25 May 2005
M	Botnia- SVIR	Russia	25 May 2005
N	Siauliu Bankas credit line	Lithuania	19 May 2005
O	Alutech	Belarus	18 May 2005
P	Alcoa Russia	Russia	18 May 2005
Q	Maritza East I Power Company	Bulgaria	12 May 2005
R	North-Eastern Bulgaria (EDC Varna and Gorna Oryahovitza)	Bulgaria	11 May 2005
S	Toepfer Ukraine W C New Facility 2005	Ukraine	6 May 2005
T	Banca Transilvania - Second capital increase	Romania	6 May 2005
U	Bunge Post Harvest Financing Facility	Ukraine	6 May 2005

V	BPH Property Fund	Poland	6 May 2005
W	EU/EBRD Extention 6 - SME Finance Facility FRW	Regional	6 May 2005
X	BD Logistics - Debt	Russia	6 May 2005
Y	Tvornica Opeke Sarajevo (TOS)	Bosnia and Herzegovina	5 May 2005

A

Project name: LUKAGIP - Shah Deniz Gas Condensate Field Development
Country: Azerbaijan
Project number: 35605
Business sector: Natural resources
State/Private: Private sector
Environmental category: C
Board date: 28 June 2005
Status: Passed structure review, Pending final review
Date PSD disclosed:
Date PSD updated: 27 May 2005

Project description and objectives:

The proposed financing is to fund a portion of the Lukoil Overseas Holding Limited ("Lukoil") share of cash calls relating to the development of the off-shore Shah Deniz gas and gas condensate field ("SD") in Azerbaijan. Lukoil holds a 10% interest in SD field via its subsidiary, Lukoil Overseas Shah Deniz Ltd ("LSD").

Financing is sought for stage 1 of a 4-stage SD field development (volume target is 11.9 Tcf gas-in-place). Initially 9 wells will be drilled at the SD field from a fixed offshore platform. After processing onshore, gas will be sold to Azerbaijan at the gates of the Sangachal terminal and via the South Caucasus Pipeline (SCP) exported to Georgia and Turkey. Condensate will be exported to the world market via the BTC pipeline.

Transition impact:

The key source of transition impact potential of the Shah Deniz project is expected to be:

Setting standards of governance and business conduct
The Government of Azerbaijan has recently endorsed the Extractive Industries Transparency Initiative ("EITI"), with which the Bank is also co-operating closely, in particular in Azerbaijan and in Kyrgyzstan. As part of this transaction,

appropriate covenants will be put in place to require Lukoil to comply with the revenues and payments disclosure in accordance with the EITI principles, not only for the Shah Deniz field, but also for Lukoil's two other oil & gas properties in Azerbaijan (including the Yalama property).

This transition-related covenant is important also because –given the early stages of EITI implementation- there does not yet appear to be clear sanctions for oil companies refusing to comply with EITI-related disclosure requirements in Azerbaijan.

Greater competition among Russian and Western majors in destination gas markets

By virtue of the lack of a destination clause, Lukoil will be able to on-sell the SD gas in both the Turkish market and in continental European market, in direct competition with other gas producers.

The client:

LSD is Lukoil Overseas's 100% subsidiary. Lukoil Overseas is a holding company that manages Lukoil's participation in exploration and production projects outside Russia. In Azerbaijan the Lukoil group is also project operator in the D222 (Yalama) structure (owning 80% of rights in the PSA), and of a network of petrol stations. BP of the UK is the operator for the upstream development of SD, while Statoil of Norway is the operator of the SCP system.

EBRD finance:

US$ 110 million, senior loan (partially syndicated).

Total project cost:

Total SD Stage 1 project cost estimate is US$ 2,777 million.
LSD stage 1 project cost estimate is US$ 277.7 million.

Environmental impact:

LSD project: The projects have been screened C/1. Although the Shah Deniz project per se is an A/1 project, all requirements for A/1 project have been fully met within the related Bank transaction - loan to SOCAR (please refer to relevant PSD on this same website). The Operator of the Shah Deniz project has carried out an extensive Environmental and Social Impact Assessment (ESIA), which includes a review of alternatives, avoidance of adverse impacts and enhancement of potential benefits. Where it has not been possible to avoid adverse impacts, a sequential process of impact reduction, minimization and mitigation has been followed. This has been achieved through, among other things, an iterative engineering design programme, environmental risk assessment and extensive public consultation. Monitoring on this project to date has confirmed compliance with ESAP commitments and good international practice.

The ESIA, ESAP and other related documents can be viewed here or on the EBRD website.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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Business opportunities:

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B

Project name:	CABLE-R
Country:	Russia
Project number:	35867
Business sector:	Telecommunications & Media and Informatics
State/Private:	Private sector

Environmental category: C
Board date: 28 June 2005
Status: Passed structure review, Pending final review
Date PSD disclosed:
Date PSD updated: 27 May 2005

Project description and objectives:

The Bank proposes to make a USD 10 million equity investment alongside the Columbus Nova Group, to acquire a significant minority stake in the regional Cable TV operator 'Cable-R' and finance its expansion in the Russian regions. The proposed investment will assist the Company to extend access to its modern cable TV and broadband internet services and introduce new services.

Transition impact:

Transition impact will be achieved by the following:

- Increasing competition in innovative communications services resulting in more attractive prices and quality for residential consumers in the Russian regions;

- market expansion in other sectors through the provision of competitive internet and data access packages to customers who do not have reliable broadband internet access;

- enhanced corporate governance and management standards within the Company through the appointment of an EBRD Board member, providing a strong demonstration effect to other companies in the Russian regions.

The client:

Cable-R.

EBRD finance:

Up to USD 10 million in equity for the purchase of shares and capital expenditure for development.

Total project cost:

Approximately USD 60 million.

Environmental impact:

The project was Screened C1.

There are unlikely to be any significant environmental issues associated with this operation. The environmental due diligence confirms that the company is in compliance with environmental, health and safety legal requirements. The project will be required to comply with national and EU environmental, health and safety standards and requirements and to submit annual reports on environment, health and safety issues.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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C

Project name:	AB Lietuvos Elektrine
Country:	Lithuania
Project number:	35335
Business sector:	Power and Energy utilities
State/Private:	State sector
Environmental category:	B
Board date:	26 July 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	27 May 2005

Project description and objectives:

The Government of Lithuania has agreed, as part of its Accession Treaty, to shut down the first unit of the Ignalina Nuclear Power Plant (INPP) before 2005 and the second before 2010. Other than nuclear power, Lithuania currently relies almost exclusively on gas as a primary fuel for producing electricity.

LPP has served to date as reserve capacity but is now viewed by the Government as a strategic asset to replace baseload power from INPP decommissioning. AB Lietuvos Elektrine will implement a major investment programme for environmental and technical upgrading between 2004 -2008 to ensure that the LPP meets environmental requirements and that it can operate flexibly within a liberalising electricity market.

Transition impact:

The proposed project will upgrade LPP to EU environmental standards at the same time as ensuring it is technologically ready to take over from Ignalina in 2009, thus supporting nuclear safety in Europe.

The project will also modernise unit controls systems to allow for greater flexibility than original design. This will allow LPP greater ability to meet flexible dispatch that is a mark of a more liberalised market where customer demands are greater and more variable. Spare parts and system support will also now be readily available.

The loan conditionality will support the implementation of a tariff regime aimed at securing full cost recovery for LPP in its current operations as a back-up power source and as Lithuania's primary source of power after 2009.

The client:

AB Lietuvos Electrine. The state owned operator of LPP.

EBRD finance:

Loan for approximately €15 million to be co-financed with commercial loans and both international and national grant funds.

Total project cost:

€252 million.

Environmental impact:

The EBRD has classified the project A/1, requiring an Environmental Impact Assessment ("EIA") and an environmental audit. An EIA in accordance with Lithuanian legislation was carried out by Lithuanian Energy Institute in 2003. Public consultation and participation was incorporated into the EIA process. A public meeting was organised on 18 September 2003. After examining the

Report, the conclusions of relevant parties, evaluations of public proposals, the positive decision regarding possibilities to carry out the Project was made by Vilnius Regional Environmental Protection Department of the Ministry of Environment on the 10th of November, 2003. In the context of the EBRD's consideration to participate in the project, the Lithuanian EIA was reviewed. On the request of the EBRD an addendum to the EIA was prepared to address additional issues. Also a self-standing Executive Summary of the EIA and the addendum was prepared.

The amended EIA package was disclosed to public for review and comments for a 120-day period on 22 September 2004 at Lietuvos elektrine technical library, Elektrenai municipality office, EBRD Resident Office in Vilnius and EBRD's Business Information Centre in London. The EIA materials were also posted on AB Lietuvos elektrine website .

The investigations showed that in order to meet Lithuanian environmental laws (valid from 1st of January 2008) and the EC Directives for Large Combustion Plants operation, flue gas desulphurisation units will be installed to reduce sulphur emissions and electrostatic precipitators will be installed to reduce particulate emissions. The modernization of the control systems and upgrading of regenerative air pre-heaters are proposed to increase the boiler efficiency and reliability, fuel saving and environment protection. The proposed project will result in the considerable reduction of air pollution and will allow the Lithuanian Power Plant to comply with Lithuanian and EU requirements for the emissions from large combustion plants.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Procurement or tendering opportunities:

Visit EBRD Procurement
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General enquiries:

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D

Project name: Krakow District Heating Project
Country: Poland
Project number: 35540
Business sector: Energy efficiency
State/Private: Private sector
Environmental category: B
Board date: 6 September 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 27 May 2005

Project description and objectives:

The proposed project comprises investments in district heating infrastructure to be implemented by the Krakow municipal heating company (MPEC Kraków). Project objectives are to improve energy efficiency of the system, reduce air pollution, and enhance project management skills of MPEC staff. MPEC will refurbish 99 km of main pipes and replace collective heat exchangers with individual ones. MPEC will also implement a technical co-operation project to support improved project management capacity. The project is expected to be the first district heating investment co-financed with the EU Cohesion Fund.

Transition impact:

- Through the Project, and the planned Bank TC for corporate development, the Company will strengthen its project management capacity to manage and coordinate large-scale complex and dispersed investments using international project management techniques and systems; this support will help the Company optimise the impact of investments on financial performance.

- The project will include measures that encourage the City to ensure sound corporate governance in the Company, in particular with regard to proper relationships between the City as owner, the Supervisory Board and the Management Board, and proper commercial relationship between City-owned units and the Company.

- Participation of EBRD in the preparation process has helped EC and Polish officials to develop the first air pollution project to be co-financed by the EU Cohesion Fund in accession countries. It is expected that other district heating utilities from the Region will follow MPEC Kraków.

The client:

Miejskie Przedsiebiorstwo Energetyki Cieplnej S.A. (Kraków District Heating Company, MPEC) is a joint stock company fully owned by the City providing district heating services in Kraków.
The City of Kraków is Poland's third largest city with a population of 740,000.

EBRD finance:

EBRD will provide a loan EUR 5-10 million.

Total project cost:

EUR 76.0 million (or PLN equivalent).

Environmental impact:

Environmental classification and rationale
The project was screened B/1 requiring an environmental audit / environmental analysis. The project involves primarily replacement of old (30-40 years old) district heating pipes, with new energy efficient underground district heating pipes. No new networks will be constructed using the funding. The project will allow for substantial reduction of energy and water loss and indirectly result in lower emissions.

The Environmental Analysis / Audit is likely to be based on the findings of an environmental assessment which, although not strictly required by Polish regulations, is being undertaken to ensure that the project has been properly screened according to the EIA directive. .

Key Environmental issues and mitigation
The current operations are associated with energy and water loss as well as waste management issues. The company is currently undertaking significant investments in improving the operation and rehabilitation of the existing network. The project will include the replacement of nearly 132 km of network (out of a total of 900 km operated by MPEC) and will also include the modernization of some heating nodes and replacement of an overhead heating line with an underground line (7.8 km Skawina Krakow heating line). None of the proposed rehabilitation work is located within the historic city centre of Krakow.

As part of the investment programme, this will mainly involve replacement of existing pipes, and will result in potential short term nuisance issues associated with construction and disposal of construction debris. MPEC has provided information that the existing heating pipe network does not include asbestos containing materials, and this is being confirmed as part of the EIA being undertaken by MPEC' independent consultants. Waste management will be organised in accordance with Polish regulations and good construction practices. The main focus will be managing contractors who will undertake the work in accordance to good construction practices. This is envisaged through implementation of the Company's ISO 14001 Environmental Management System as well as contractual arrangement. These measures will ensure that the environmental issues will be sufficiently managed to prevent or minimise impacts on staff and local population as well as on the environment.

Summary of Environmental Action Plan

The company will be required to adhere to Polish and EU environmental regulations and standards. An Environmental Action Plan will be developed if required.

Disclosure of information and consultation

In the context of the EBRD's participation in the project, MPEC will release locally a summary of relevant environmental issues associated with the project and summarise mitigation measures, action plans and other initiatives agreed.

Monitoring and reporting

The Company will monitor the environmental impact of its operations in accordance with Polish law and regulations. The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports prepared for the project covering:

- ongoing performance of project-specific environmental, health and safety, and
- the status of implementation of environmental mitigation and improvement measures.

The Bank's representatives will also conduct periodic site supervision visits when deemed appropriate.

Technical cooperation:

Envisaged for the strengthening of project management / corporate development; scope to be determined as project progresses.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Procurement or tendering opportunities:

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E

Project name: Sitall
Country: Russia
Project number: 35993
Business sector: Agribusiness
State/Private: Private sector
Environmental category: B
Board date: 28 June 2005
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 27 May 2005

Project description and objectives:

As the first sub-project within the Saint Gobain Packaging Regional Facility, the Project consists of supporting the modernisation programme of Sitall's glass packaging plant in the period 2005-09 by providing funds for:
(i) the upgrade of the existing facilities
(ii) capacity expansion, and
(iii) environmental upgrading.

Transition impact:

The outline of the transition impact is described under the PSD for the Regional Facility, which was released on 18/03.
In this specific case, the Bank will continue to assist in creating successful examples of enterprise restructuring on the basis of the transfer of technology and business, governance and environmental standards from one of the world leaders in the glass packaging industry.

The client:

OAO Sitall (the company), a glass packaging manufacturer located in Roslav (Smolensk region) in the Russian Federation.

EBRD finance:

Up to USD 2.2 million equity subscription alongside Saint Gobain Desjonqueres ("SGD") in OAO Saint Gobain Sitall ("SGS"), a newly-to-be-established holding company which will own the majority of Sitall. SGS will invest the Bank's funds into Sitall in accordance with the Company's investment programme.

Total project cost:

USD 30.8 million.

Environmental impact:

Environmental classification and rational

The project was screened B/1 requiring an environmental audit and an environmental analysis.

The EBRD's regional venture fund, the Eagle Venture Fund ("EVF") investment in the Company in 1995 was preceded by an independent environmental audit of the Company. EVF's annual environmental reporting has shown that the Company has achieved compliance with national requirements for environmental health and safety and that a number of actions to improve environmental performance were carried out during the period 1995 to 2005.

An update of the environmental audit and an environmental analysis were undertaken by independent environmental consultants in March 2005.

Key environmental issues and mitigation

The Company is currently undertaking additional investment in upgrading its current wastewater treatment. The environmental investigations showed that the project will have no significant impacts on the environment. The general conclusion of the investigations was that environmental, health and safety issues have been managed by the Company. Some items related to air emissions, wastewater discharges, environmental management, materials storage and handling and energy conservation were noted.

As part of the investment programme, water consumption and wastewater discharges will be minimised with water circulation system. Waste and hazardous waste management will be organised in accordance with the principles of sorting, recycling and appropriate disposal. The Company will implement ISO 14001 Environmental Management System for its operations. These measures will ensure that the environmental issues will be professionally managed with a view to prevent or minimise impacts on staff and local population as well as on the environment.

If new furnaces are constructed, SGD will design and construct these new additional furnaces in compliance with Russian laws and regulations and take into consideration EU environmental standards, notably Best Available Techniques (BAT) under EU Integrated Pollution Prevention and Control (IPPC) Directive.

Summary of Environmental Action Plan
An environmental action plan ("EAP") has been agreed between SGD and the Bank to address the findings of the environmental due diligence, aiming at bringing the Company into compliance with Saint Gobain internal environmental standards and in line with international practice. A number of investments in air abatement equipment are planned to improve workers' health & safety. An IPPC BAT assessment is to be undertaken by the company by 2010 and all new investments post 2008 will be designed to take into consideration IPPC requirements. IPPC implementation is seen as a long term goal, not covered fully by the EAP at this stage.

Monitoring and reporting
The Company will monitor the environmental impact of its operations in accordance with Russian law and regulations. The Bank will evaluate the Company's compliance with the applicable environmental and social requirements during the lifetime of the Project by reviewing annual environmental reports prepared for the Project covering:

(i) ongoing performance of project-specific environmental, health and safety activities as reflected in the results of periodic and quantitative sampling and measuring programmes, and
(ii) the status of implementation of environmental mitigation and improvement measures. The Bank's representatives will also conduct periodic site supervision visits when deemed appropriate.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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Business opportunities:

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General enquiries:

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F

Project name:	JFC Group Debt Facility
Country:	Russia
Project number:	35645
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	B
Board date:	28 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	27 May 2005

Project description and objectives:

The proposed project is for the building and equipping of logistics terminals as well as fruit ripening facilities for bananas and other fruits, in central as well as remote regions in Russia. These new terminals, and the upgraded existing terminals, will have state of the art technology. Also, the EBRD Loan will be used for restructuring of the balance sheet.

Transition impact:

Forward linkages
The investments will support the modern retail format growth in the regions of Russia and enhance the productivity, efficiency and skills of the retailers for their fresh fruit produce. The ultimate beneficiaries are the end-consumers who will have increased choice and improved quality for fruit and vegetables in the regions. Also, the investments will lower the costs of logistics, currently a large part of the fruit and vegetable costs for the end users.

Strong demonstration effect in a key sector
The realisation of the Project, supporting successful local entrepreneurs with internationally syndicated financing, will be an indication of the rapid upgrade of the whole retail/ wholesale sector for fruit and vegetable. The state of the art technologies to be used for the warehousing and distribution will be setting new standards.

The client:

JFC Group, the largest fruit and vegetable logistics group in Russia.

EBRD finance:

Total project financing include a USD 55 million syndicated long-term loan and USD 15 million mezzanine financing.

Total project cost:

Total project cost is USD 193 million.

Environmental impact:

Screening categories and rationale for classification
The operation and construction of such logistic centres have specific environmental impacts which, however, can be readily identified and prevented through adequate measures and application of good international practice. For the above reasons, the EBRD has classified the project B/1, requiring an Environmental Analysis and Corporate Environmental Review.

Information reviewed during the environmental appraisal
Information was provided by the Sponsor, includes a completed environmental, health and safety questionnaire. This information coupled with a commercial due diligence report has been reviewed by the Bank.

Environmental impacts and mitigation measures
Early findings of the environmental due diligence confirm that the project has been structured in accordance with Russian environmental requirements and good international practice. The company uses refrigeration systems still based on R-22 coolants, which need to be phased out as part of international obligations. The environmental, health and safety due diligence also identified that the corporate environmental management needs to be strengthened.
An Environmental Action Plan (EAP) is being developed to address corrective measures, notably in terms of developing and implementing an Environmental, Health and Safety (EH&S) Management System at the Company. This will also cover operational and maintenance issues as well as new site development. The EAP can be summarised as:

- Undertake an Environmental, Health and Safety baseline audit together with an EH&S management system gap analysis prior to First Disbursement; and

- Develop and implement an environmental, health and safety management system at the corporate level

The company will also incorporate all necessary preventive and mitigation measures into the project design as well as commit itself to good international practice.

Each new development will undergo an appropriate environmental impact assessment and public consultation in accordance with Russian law. This entails that environmental information is disclosed to public 30 days prior to a public meeting on the environmental impacts of a project. The competent Russian environmental authorities take the public comments into consideration when defining the conditions and requirements for the project design and implementation fro the planning, construction and operation permits.

Environmental opportunities

The project will use energy efficient materials and will provide an opportunity to replace ozone depleting substances used in refrigeration systems.

Monitoring

The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports (AER) prepared for the project covering: (1) on-going performance of project-specific environmental, health and safety programmes if applicable, and (ii) the status of implementation of environmental mitigation measures.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

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G

Project name: LUKAGIP - South Caucasus Gas Pipeline
Country: Regional
Project number: 35606
Business sector: Natural resources
State/Private: Private sector
Environmental category: C

Board date: 28 June 2005
Status: Passed structure review, Pending final review
Date PSD disclosed:
Date PSD updated: 27 May 2005

Project description and objectives:

The proposed financing is to fund a portion of the Lukoil Overseas Holding Limited ("Lukoil") share of cash calls relating to the construction of the South Caucasus Pipeline ("SCP"). Lukoil holds a 10% interest in SCP via its subsidiary Lukoil Overseas Shah Deniz Midstream Ltd. ("LSCP")

Financing is sought for the completion of the SCP pipeline. The pipeline is approximately 690 kilometer long, 42 inch diameter gas pipeline, and shall originate at the Sangachal terminal near Baku, Azerbaijan, cross Azerbaijan and Georgia and terminate at the Turkish border. SCP will be used for the transportation of gas produced from the SD gas and gas condensate field and have an ultimate annual capacity of approximately 20 billion cubic metres per annum.

Transition impact:

The key sources of transition impact potential of the SCP project is expected to be:

Setting standards of governance and business conduct: The Government of Azerbaijan has recently endorsed the Extractive Industries Transparency Initiative ("EITI"), with which the Bank is also co-operating closely, in particular in Azerbaijan and in Kyrgyzstan. As part of this transaction, appropriate covenants will be put in place to require Lukoil to comply with the revenues and payments disclosure in accordance with the EITI principles, not only for the Shah Deniz field, but also for Lukoil's two other oil & gas properties in Azerbaijan (including the Yalama property). This transition-related covenant is important also because –given the early stages of EITI implementation- there does not yet appear to be clear sanctions for oil companies refusing to comply with EITI-related disclosure requirements in Azerbaijan.

Greater competition among Russian and Western majors in destination gas markets: By virtue of the lack of a destination clause, Lukoil will be able to on-sell the SD gas in both the Turkish market and in continental European market, in direct competition with other gas producers.

The client:

LSCP is Lukoil Overseas's 100% subsidiary. Lukoil Overseas is a holding company that manages Lukoil's participation in exploration and production projects outside Russia. In Azerbaijan the Lukoil group is also project operator in the D222 (Yalama) structure (owning 80% of rights in the PSA), and of a network of petrol stations. BP of the UK is the operator for the upstream development of SD, while Statoil of Norway is the operator of the SCP system.

EBRD finance:

US$ 70 million, senior loan (partially syndicated).

Total project cost:

Total SCP Stage 1 project cost estimate is US$ 1,199 million. LSCP stage 1 project cost estimate is US$ 119.9 million.

Environmental impact:

LSCP Project: Screened C/1.
Although the South Caucasus Pipeline project per se is an A/1 project, all requirements for A/1 projects have been fully met within the related Bank transaction - loan to SOCAR (please refer to relevant PSD on this same website). The Operator of the SCP Project has carried out an extensive Environmental and Social Impact Assessment (ESIA). The ESIA contains a detailed discussion of the development and evaluation of project alternatives, rationale for selecting mode of transportation, process of route selection, design process and construction planning, identification of environmental and social impacts and selection of mitigation and management measures with respect to the SCP project’s design, construction and operation. The ESIA demonstrates that the project has been structured to meet the most stringent environmental, health and safety standards.

The Operator’s key approach to mitigating risks has been avoidance, where possible, of sensitive environmental, cultural or social areas through careful design and route selection. Final decision on the route has been taken on the basis of thorough consideration and analysis of environmental and social issues, terrain and geohazard assessment, constructability and long-term integrity of the pipeline, and security and safety issues. Mitigation measures have been developed to avoid or reduce impacts and Environmental and Community Investment Plans have been developed to offset any unavoidable residual impacts.
Quarterly monitoring of this project to date has confirmed material compliance with the ESAP commitments and good environmental practices. Further, an international oil spill consultant has confirmed that the oil spill response plans for the project are consistent with best international practice. While this pipeline will be installed using identified methods and parallel to BTC pipeline, there has been no opposition to this project.

The EBRD has received the right to sit on the Board of Directors (as a non-voting observer) to ensure that LOSD abides by its environmental undertakings as outlined in the Term Sheet and detailed in the Environmental and Social Action Plan which has formed part of the environmental documentation available to the public for review and comment. EBRD has worked with the sponsor to develop a rigorous monitoring program using in house staff and independent environmental consultants to ensure adequate implementation of the measures.

The ESIA, ESAP and other related documents can be viewed here or on the EBRD website.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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1, ul. Bolshaya Ordynka,
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Russia
Email: mail@lukoil-overseas.ru
or
Mr. Enrico Grassi
Principal Banker
EBRD
Tel.: +44-20-73386000

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

H

Project name:	Promsvyazbank SME Credit Line
Country:	Russia

Project number: 35979
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 28 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 26 May 2005

Project description and objectives:

The proposed project consists of a senior four-year loan in the amount of USD 30 million for on-lending to private sector Small and Medium-sized Enterprises (SMEs).

Transition impact:

The transition impact of the project is expected to be achieved in two main areas:

- Dedicated funding from the EBRD will allow Promsvyazbank to become more focused on the SME lending niche. Under the facility, PSB will be encouraged to focus in particular on the financing needs of SMEs in the regions. Longer term funding will enable the bank (i) to finance projects that are currently beyond its reach due to liquidity and maturity mismatch concerns and (ii) to serve the needs of SMEs that do not have access to long term funding.

- The project seeks to contribute to the strengthening of Promsvyazbank into an independent commercial bank operating according to the highest standards of governance and business conduct. This will further contribute to improve the bank's attractiveness to long term finance providers and potential investors.

The client:

Promsvyazbank was established in 1995 as a specialised bank servicing the needs of large companies in the communication sector, however, over time it evolved into a universal bank offering the full range of services in over 20 Russian regions.

EBRD finance:

USD 30 million senior loan for on-lending to private SMEs.

Total project cost:

USD 30 million.

Environmental impact:

Promsvyazbank will be required to comply with EBRD's Environmental Procedures for Intermediated Finance through local banks, including ensuring compliance with the applicable national environmental, health and safety legislation, adherence with EBRD's Environmental Exclusion List and submission of annual environmental reports to the Bank.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Ms. Alexandra Volchenko, Head of Rating Support and Financial Institutions International Business Department,
Promsvyazbank
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Web site: http://www.psbank.ru

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
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I

Project name:	Sofia Water Infrastructure PPP
Country:	Bulgaria
Project number:	35976
Business sector:	Municipal and environmental infrastructure
State/Private:	Private sector
Environmental category:	B
Board date:	4 October 2005
Status:	Passed concept review, Pending final review

Date PSD disclosed:
Date PSD updated: 26 May 2005

Project description and objectives:

The proposed project consists of a loan to co-finance the Client's five year capital expenditure programme estimated at € 190 million. EBRD will provide a senior loan of up to € 30 million, of which, in line with the existing loan, 40% (€ 12 million) would be syndicated as a B loan. EU-ISPA grant will provide funds for € 63 million, moreover internally generated cash of the Client will finance € 97 million.

The Client is Sofiyska Voda AD (SV), a joint stock company incorporated in Bulgaria, concessionaire for Sofia's water and waste water systems. The project will finance the rehabilitation and upgrading of Sofia's water supply and sewerage networks and treatment plants.

Transition impact:

Demonstration effect of EU-ISPA grant co-financing where there is a private operator. Projects like this demonstrate how the benefits of EU grant financing can be safeguarded for the public sector beneficiary rather than the private operator also where infrastructure systems are operated by private companies and/or when the cities wish to obtain grant funding for new assets.

Establishment of effective national water regulator: Legislation enabling the creation of water services regulatory body was approved by Parliament in December 2004. However it has not been put into operation yet as it lacks detail legislation on rules and regulations related to its activities. As part of this operation EBRD has been assisting the Ministry of Regional Development in the drafting of secondary legislation which will provide the rules for establishing levels of service, setting tariffs and assessing acceptable levels of water losses. An independent regulator will have a significant positive impact on the ability of regional water companies (including SV) to attract investment finance.

Preservation of initial transition impact, achieved through the concession: Success or failure of the Sofia concession will have paramount importance on the perception of private sector participation in municipal service provision by decision-makers in the cities across the region.

The client:

The Borrower: Sofiyska Voda AD, a joint stock company incorporated in Bulgaria, responsible, as concessionaire, for water and wastewater systems in the City of Sofia. The Company is 77% owned by United Utilities (Sofia) BV (a holding owned in turn by UU Europe BV, of which 50:50 shareholders are UU plc and

EBRD) and 23% by Water-Supply and Canalization EAD, wholly owned by the City.

EBRD finance:

Senior loan of up to € 30 million to the Company, of which, in line with the existing loan issued to SV by the Bank in 2000, 40% (€ 12 million) would be syndicated as a B loan to Depfa Bank AG (16%) and FMO Bank (24%).
Co-financing from EU ISPA grant for € 63 million will finance the upgrading of a WWTP. A loan from EIB to be extended to the City is also possible.

Total project cost:

€ 190 million.

Environmental impact:

Screening categories and rationale for classification
The operation and maintenance of water and wastewater companies on a concessionaire basis involved significant investments in meeting agreed performance targets. Due to unforeseen changes, the original investment programme is being amended, although at present this is not sufficiently defined to allow for an adequate assessment of all environmental impacts. These impacts, however, are not anticipated to be significant and could be addressed through standards mitigation measures. Consequently, the project has been screened as B/1 requiring an Environmental Audit and Environmental Analysis as part of the due diligence.

Information reviewed during the environmental appraisal

- Environmental Due Diligence report undertaken by Dames & Moore in 2000.

- Technical due diligence, Mott MacDonlad's 2000

The bank will undertake additional due diligence and amend the project summary documentation based on the findings of the due diligence.
Environmental impacts and mitigation measures
The loan will allow for additional investment required as part of the concessionaire's concession contract to ensure the agreed level of service is met. This is mainly associated with environmental improvements. Due to unexpected and unforeseen conditions the Company will need to amend the current investment programme, notably in terms of meeting water loss levels.

The main negative environmental impacts are potentially associated with the planned extension of and upgrade of existing systems.

The planned environmental due diligence will need to assess the current and proposed investment programme to ensure that the project is structured to meet Bulgarian and EU environmental standards. The due diligence will also allow EBRD to review the status of compliance with relevant regulations and the existing EAP and amended it, as required.

Environmental opportunities
The proposed project is expected to bring environmental benefits, including improved drinking water quality, protection of surface water and groundwater sources, improved treatment of municipal waste water and storm water as well as improved treatment and disposal of sewage sludge. As a result of the Project implementation, the Company will be on track to achieve full compliance with Bulgarian and EU environmental standards and regulations.

Monitoring
The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports (AERs) prepared for the project covering:

(i) ongoing performance of project-specific environmental, health and safety activities as reflected in the results of periodic and quantitative sampling and measuring programmes
(ii) the status of implementation of environmental mitigation and improvement measures. The Bank's representatives will also conduct periodic site supervision visits when deemed appropriate

Technical cooperation:

TC for this project: Advisory Services for Water Regulatory Framework, encompassing development of secondary legislation for water regulatory body. Funded by DFID (€ 50,000), ongoing, completion expected in June 2005.

Previous TC: 1998/99 - Phare-funded advisory services for Municipality of Sofia for development of Concession Agreement, conduction of tender, and finalisation of Direct Agreement.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

David Ordman, Chief Financial Officer
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fax: +359 2/ 75 01 68
Website: http://www.sofiyskavoda.bg

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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Email: projectenquiries@ebrd.com

J

Project name: Transcapitalbank SME Credit Line
Country: Russia
Project number: 35327
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 28 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 26 May 2005

Project description and objectives:

The proposed project consists of a senior four-year loan in the amount of USD 10 million for on-lending to private sector Small and Medium-sized Enterprises (SMEs).

Transition impact:

The project is expected to have transition impact in three main areas:

- Raise the level of financial intermediation both in Moscow and Moscow region, but more importantly in the regions outside Moscow which are far less covered by banking services and allow EBRD funds to reach SME sub-borrowers to finance their investment projects, for which long-term funding is currently not readily available.

- Enhance TCB's position in the small and medium-sized enterprise sector and allow it to compete with state and privately owned banks of similar size and profile. The project will support the overall strategy of the bank that envisages a clear focus on the SME segment.

- The proposed project will include concrete institutional building measures aimed at strengthening Transcapitalbank and increasing the bank's attractiveness to creditors and potential investors.

The client:

Transcapitalbank was established in 1992 as a universal bank and is currently owned by senior management and a number of medium-sized private companies. TCB has been headquartered in Moscow from the beginning of its operations, but it has always had a strong regional presence, with around 50% of loan portfolio placed outside Moscow.

EBRD finance:

USD 10 million senior loan for on-lending to private SMEs.

Total project cost:

USD 10 million.

Environmental impact:

TCB will be required to comply with EBRD's Environmental Procedures for Intermediated Finance through local banks, including ensuring compliance with the applicable national environmental, health and safety legislation, adherence with EBRD's Environmental Exclusion List and submission of annual environmental reports to the Bank.

Technical cooperation:

An institutional building project of up to EUR 300,000 is contemplated under the Russian Regional Bank Credit Strengthening and Institutional Building Programme sponsored by the EU.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mrs. Olga Gryadovaya, Chairperson
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Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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K

Project name:	European Drinks
Country:	Romania
Project number:	35503
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	
Board date:	28 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	25 May 2005

Project description and objectives:

The debt facility will strengthen the European Drinks Group's operations supporting the Groups' long term investment and expansion programme.

Transition impact:

The proposed project's main transition impact will derive from the covenanted improvements in corporate governance and transparency at the Group level. The Group will be committed to introducing and maintaining standards of corporate behaviour which will ensure its transition from a family run entrepreneurial company into a well organised large corporate.

The client:

European Drinks Group is a leading food and beverage producer and one of the largest privately owned groups in Romania.

EBRD finance:

EUR 195 million senior secured loan to be syndicated to commercial banks.

Total project cost:

tba

Environmental impact:

The project has been classified B/1 requiring an analysis of the expansion plans and audit of the existing facilities.

The audit and analysis were conducted by staff from the Bank's Environment Department, to assess facility compliance with national and applicable EU environment, health and safety (EHS) standards, and to assess specific risks associated with past and current operations. The Company is fully compliant with Romanian requirements for environment, health and safety and also compliant with applicable European Union requirements.

The Company has developed corporate policies for environmental, health, safety and labour issues and all corporate decisions are taken in consideration of these policies. The facilities of European Drinks, and European Foods are certified as ISO 9001: 2000 compliant and the HACCP system is being implemented within these facilities. Key issues for the Company include, among other things, water consumption, waste water management. Water is either taken from the spring owned by the Company or from on-site wells. Water from the spring has won a number of prizes for its purity and quality. Waste waters are either passed through on-site waste water treatment plants or discharged to the municipal sewerage systems. Waste waters treated within the Company's facilities meet EU standards.

The Company has also installed a number of innovative environmental solutions to certain environmental issues such as the recovery of CO_2 from emissions from the brewery, distillery and from stack gas produced by the boiler house.

The Company has confirmed that is does not utilise child or forced labour and has policies in place to ensure there is no discrimination in the workplace. No environmental action plan has been required for this project given that no incidences of non-compliance and no significant environmental liabilities have been revealed through the due diligence process.

The Company will be required to provide the Bank with an annual environmental report and with immediate notification of any material incidents or accidents likely to have an effect on the environment or worker and public safety.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mr. Vasile Popa Bota
e-mail: vpopabota@europeandrinks.ro
fax number: 0040-259-407239

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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L

Project name:	Ukrrichflot III - Follow On Loan
Country:	Ukraine
Project number:	35668
Business sector:	Transport
State/Private:	Private sector
Environmental category:	B
Board date:	28 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	25 May 2005

Project description and objectives:

The proposed project provides a long-term loan to finance part of the acquisition costs of 5 dry cargo newbuildings, a part of the company's fleet modernisation programme.

Transition impact:

The proposed project will include corporate governance enhancement measures to be implemented by the company. It will also facilitate inter-regional trade, and will support the company's further fleet modernisation.

The client:

Joint Stock Shipping Company Ukrrichflot is a Kyiv-based ship owner operating in the niche river-sea and short sea markets on the Dnieper and Danube rivers, in the Black, Azov, North and Baltic Seas, as well as in the Mediterranean.

EBRD finance:

A senior loan of up to USD 28 million, to be structured as an A/B loan.

Total project cost:

USD 50 million.

Environmental impact:

Screened B/1.
There will also be a requirement to establish relevant on-shore staff health and safety and environmental procedures and emergency response plans and certification according to ISO 14000, the international standard for environmental management systems, in addition to the pre-requisite safety and environmental compliance for the Project Vessels, which will be fully classed by the Russian Registry of Shipping, a member of the International Association of Classification Societies and compliance with international conventions such as MARPOL and SOLAS and the relevant river standards.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

JSSC Ukrrichflot
51 Nizhniy Val,
Kyiv 04071,
Ukraine

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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Email: projectenquiries@ebrd.com

M

Project name: Botnia- SVIR
Country: Russia
Project number: 35757
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B
Board date: 28 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 25 May 2005

Project description and objectives:

The proposed project would support Metsä-Botnia efforts in expanding its operations in Russia by providing partial financing for the construction and start-up of a new greenfield sawmill in Podporozhie, Leningrad oblast, Russia. The mill would produce sawn wood, mostly for the sponsor's existing export markets.

Transition impact:

The transition impact potential of this transaction derives from:

(i) the project being one of the few foreign direct investments in the sawmill sector in the region and therefore its expected positive role in promoting technological, environmental, forest management and corporate governance standards for the industry
(ii) enhancing competition within the industry in terms of efficiency, product quality and delivery and with respect to forest reforms in support for the planned pulp mill
(ii) demonstration effect by sending a signal to the market that a leading international player is now changing its strategy from only importing raw logs to outsourcing processing facilities to Russia and that the sawmills, and eventually pulp mills, in Russia may yield attractive financial returns.

The client:

OOO Svir Timber, a limited liability company incorporated in the Russian Federation for the purpose of implementing the project, which is 100% owned by Metsä-Botnia – one of Europe's largest pulp producers owned by two major Finnish forest product groups Metsaliitto and UPM.

EBRD finance:

EBRD senior loan for EUR 22.5 million.

Total project cost:

EUR 55 million.

Environmental impact:

The proposed project has been classified B/0, requiring an environmental analysis, which is under way.

The project will be structured to meet applicable EU standards or other good international industry practice to ensure the proposed project does not result in significant adverse impacts. Metsä-Botnia is committed to implement its corporate environmental, health and safety and social standards, including wood procurement procedures ensuring forest management as well as harvesting and procurement of wood is conducted in line with the principles of sustainable economic, social and environmental development.

In accordance with Bank's requirements, a summary of the relevant environmental issues associated with the project and mitigation measures, action plans and other initiatives agreed will be disclosed near the project site. The Bank will evaluate the Project's compliance with the applicable environmental and social requirements by reviewing Metsä-Botnia's annual environmental reports on the project.
This section will be updated and amended as soon as the environmental due diligence has been completed.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Website: http://www.metsabotnia.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
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N

Project name:	Siauliu Bankas credit line
Country:	Lithuania
Project number:	35912
Business sector:	Financial Institutions: Bank equity/Bank lending
State/Private:	Private sector
Environmental category:	FI
Board date:	28 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	19 May 2005

Project description and objectives:

The proposed project will give Šiauliu Bankas ("SB") access for the first time to the international syndicated debt market. The loan will improve the bank's asset-liability maturity structure and diversify its funding base enabling SB to expand its lending activity and implement its business plan. The loan funds will be used to provide medium term loans to SB's private sector corporate customers, which are mostly SMEs.

Transition impact:

The proposed project will have a positive impact on the Lithuanian economy by supporting the development and expansion of a regionally strong bank that is focused on servicing SMEs, and by providing better access to medium-term financing for local companies. With domestic credit to private sector share of GDP at 19.9%, the country's banking sector intermediation level is lower than the Central European average (31.8%).

The proposed project will also increase financial intermediation of the banking sector of Lithuania, especially in the regions outside the capital city, which form the main geographical business area of SB. In addition, the project will serve as an introduction of SB to international syndicated debt markets paving the way for the bank's raising term funding independently in the future.

The client:

SB was established in 1992 as a regional bank based in Lithuania's forth largest town of Šiauliai, servicing the northern region of Lithuania. From its origins in Šiauliai region the bank has now expanded to cover the whole Lithuania being represented by a network of 43 branches in 25 cities. SB has grown steadily since 2000. It has an overall market share by total assets of 3%, while its market share in servicing SMEs is estimated at 30% in Siauliai region and at 15% overall in Lithuania.

EBRD finance:

Senior debt for on-lending to private sector corporate customers in the aggregate amount of up to EUR 12 million with an A/B loan structure, B loan to be syndicated.

Total project cost:

Up to EUR 12 million.

Environmental impact:

SB is required to apply environmental procedures in accordance with EBRD’s Environmental Procedures for Local Banks (including the Environmental Referral List and Exclusion List). In implementing these procedures SB will assess potential environmental issues associated with sub-projects, which are required to comply, at a minimum, with local/national health, safety, environmental and public consultation requirements.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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Fax: +370 41 430774

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
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O

Project name: Alutech
Country: Belarus
Project number: 35901
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B
Board date: 28 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 18 May 2005

Project description and objectives:

The proposed project is for the construction of a new production plant and warehouses as well as for the purchase of production equipment. The new plant will enable the Alutech Group, Minsk, to grow sales of extruded aluminium profiles, both in the domestic and in export markets.The proposed project is for the construction of a new production plant and warehouses as well as for the purchase of production equipment. The new plant will enable the Alutech Group, Minsk, to grow sales of extruded aluminium profiles, both in the domestic and in export markets.

Transition impact:

- **Demonstration effect**
  The proposed project would have a significant demonstration effect in showing ways of financing the expansion of successful manufacturing businesses in the country.

- **Setting standards for corporate governance and business conduct**
  The Bank's financing will ensure the maintenance of high standards of corporate governance and business conduct at the Company. Therefore, the project may contribute to the spreading of behaviour and attitudes that enhance the legitimacy and functioning of a market economy in the Republic of Belarus.

- **Greater competition in the project sector**
  The project will contribute to greater competition in its sector as a result of the expected gains in the efficiency of production, greater innovation,

including the introduction of new products and increased focus on the needs and requirements of the customer in the company itself.

The client:

The beneficiary of the loan is COOO Alumintechno, Minsk, a producer of extruded aluminium profiles.
The sponsor of the project is JV Alutech Incorporated, Minsk, a producer of aluminium and steel products for construction purposes.

EBRD finance:

Loan, EUR 7.35 million.

Total project cost:

EUR 20 million.

Environmental impact:

Screened B/0.
An environmental analysis is underway to assess environmental impacts of the project and to develop an environmental action plan. The Environmental Analysis will include an Environmental Site Investigation (Phase I) of the project site to identify potential liabilities associated with past and present operations which may affect the Group or those supplying project finance. The environmental action plan should ensure that the project meets national and EU standards for environment, health and safety. The Company will also be required to provide notification of the project to the locally affected public and an annual environmental report to the Bank.

This section will be updated and amended as soon as the environmental due diligence has been completed.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mr. Alexei Zhukov, JV Alutech Incorporated
Tel: 375 17 299 61 11

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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P

Project name: Alcoa Russia
Country: Russia
Project number: 35248
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B
Board date: 28 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 18 May 2005

Project description and objectives:

The proposed $75mln project will partially finance modernisation and upgrade of two aluminium fabricating plants, Samara and Belaya Kalitva (Rostov region). The plants were recently acquired by Alcoa Inc. from RUSAL for $257 million. Alcoa plans additional investment to revamp the production facilities, IT and infrastructure development; as well as environmental and health and labour safety improvements.

Alcoa Russia will become a fully integrated part of Alcoa's global business by 2008, sharing its high standards of quality and manufacturing culture. The plants are the major part of Alcoa Inc's recent investment into Russia, grouped under "Alcoa Russia".

Transition impact:

The proposed project will help to create competition in the Russian aluminium fabricating sector, open new export markets for the Russian plants and introduce them to the stringent requirements necessary to supply the world's leading aircraft, automotive and packaging manufacturers.

The proposed project will contribute to the dramatic enhancement of product mix and quality, and implementation of the Environmental, Health and Safety programme will ensure Alcoa Russia's compliance with the best international industrial manufacturing practices.

The client:

OAO Samara Metallurgical Plant and OAO Belaya Kalitva Metallurgical Production Association specialise in aluminium fabricated products and supply automotive, aircraft, construction, and packaging industries. Alcoa Inc., the parent organization in the plants' ownership structure, will implement the proposed project and provide necessary technical, managerial and financial support.

EBRD finance:

USD 75 million senior loan with a tenor of up to 8 years will have an A/B structure, with up to USD 25 million syndicated to B-lenders.

Total project cost:

The 2005 budget for the project is USD 80 million, representing the first stage of a programme which will extend to 2008.

Environmental impact:

B/1 screened project.
The two rolling mills are associated with a wide range of environmental, health and safety and social and labour issues. An Environmental Audit and an Environmental Analysis is being carried out and an Environmental Action Plan is being developed. The Project Summary Document will be updated as soon as the EAP will be agreed with the Bank.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Website: http://www.alcoa.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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Q

Project name:	Maritza East I Power Company
Country:	Bulgaria
Project number:	11865
Business sector:	Power and Energy utilities
State/Private:	Private sector
Environmental category:	A
Board date:	26 July 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	12 May 2005

Project description and objectives:

The transaction will finance construction of a 2 x 300 MW net lignite-fired power plant (ME1) on a "build-own-operate-transfer" (BOOT) basis for a total cost of approximately EUR 1 billion. The plant will replace an existing 500 MW of capacity, of which 300 MW have already been phased out and dismantled. The power from the plant will be sold to NEK, the state-owned utility, under a 15-year Power Purchase Agreement (PPA).

Transition impact:

The proposed project represents a major step for private sector participation in the Bulgarian economy as it is represents one of the country's largest foreign investment projects to date. A strong "demonstration effect" will be provided by the successful operation of a private generator in a liberalized market and the environmental benefits of introducing improved technology that will lead to compliance with EU environmental standards.

In addition, the investment will also contribute to the advancement of the current restructuring of the sector by facilitating dialogue between the GoB and investors and providing regulatory risk comfort to lenders. This restructuring is a condition to Bulgaria's EU accession by 2008.

Finally, the new plant will replace older, less efficient generation and lower the economic cost of a significant source of domestic electricity, thus benefiting consumers.

The client:

The proposed project sponsor is AES Corp, a public corporation listed on the NYSE, and one of the world's largest power developers.

AES will own the AES-3C Maritza East I EOOD, a special purpose company established to build, own and operate a 600 MW lignite-fired power plant at Maritza, Bulgaria.

EBRD finance:

Senior Debt Base Facilities:

- EBRD A loan of EUR 157.5 million provided by EBRD
- EBRD B loan of EUR 273 million led by 3 mandated lead arrangers

Total project cost:

EUR 1,050 million.

Environmental impact:

Environmental classification and rationale
The project was screened A/1, requiring an environmental impact assessment (EIA) and environmental audit in line with the Bank's Environmental Policy and Public Information Policy. The project, is also subject to Bulgarian EIA and IPPC requirements and an IPPC permit has been applied for in line with EU IPPC requirements.

Information reviewed during the environmental appraisal
An Environmental Audit and Analysis is being undertaken as part of the Banks due diligence.
Additional information was received, including;
1. Maritza East 1 Environmental Impact Assessment, Executive Summary, February 2005
2. Maritza East 1 TPP IPPC permit application in English, March 2005
3. Maritza East 1 Environmental Impact Assessment (in English); this is essentially the updated 2000 EIA, taking into account recent regulatory changes in the EU and Bulgaria, February 2005
4. Maritza East 1 Environmental Impact Assessment (in English), June 2000, ENSR International,
Members of the environment department visit the site in 2000-1, during the initial public consultations.

Key environmental issues and mitigation
The key environmental issue for ME 1 is air emissions. The new plant is in essence a replacement for an older plant, most of which has not been operational since the early 1990s. The new plant will be using state of the art

pollution control technology inclusive of flue gas desulphurisation (FGD). The plant will meet the relevant EU and Bulgarian emission standards for particulates, SO_2 and NOx, notably as specified by the EU Large Combustion Plant Directive (2001/80/EC).
The main impact from the plant will be sulphur dioxide emissions, and their impacts on the local ambient air quality. Based on historic data, the region has had a significant problem with air quality, notably fine dust particulates and sulphur dioxide as a result of the operation of three large and inefficient lignite fired power plants, including ME 1, and also as the result of opencast lignite mining. As part of a national strategy to address this issue, a programme of replacing existing capacity as well as installing new abatement equipment on existing plants has been implemented. This has resulted in a significant improvement of the local air quality in the past few years. The new power plant at ME1 is part of this programme, and should allow future compliance with EU and Bulgarian ambient air quality standards.

AES will operate the plant in compliance with Bulgarian laws and regulations as well as in accordance with EU environmental standards, including Best Available Technique (BAT) standards. An IPPC permit application has been submitted to the Bulgarian regulators and this is currently subject to negotiations. An environmental management system and continuous monitoring will be incorporated into day to day operations of the plants

Given the nature of fuel used (lignite), substantial carbon emissions will be associated with the project. This cannot be readily mitigated.

Water consumption and wastewater discharges will be minimised by a water circulation system, flue gas emission will be emitted via the cooling tower.

Solid waste consisting largely of fly ash and furnace bottom ash, will be transported by rail or road to a newly constructed disposal area in Dryanovo. This new landfill will be constructed in accordance with EU and Bulgarian environmental standards and regulations. The new landfill will also receive waste gypsum from the wet limestone FGD scrubbing system.

The plant will utilize an existing site and existing railway connections for lignite and limestone supply, this limits the new footprint of the plant. Fuel and limestone will be supplied from the nearby operational mines and quarries. A new 1 km railway line and a new high power voltage spur will need to be constructed to serve the plant. These investments will be undertaken by other entities, and appropriate permits will be obtained in due course. Initial information received indicated that the environmental impact associated with these investments is not major.

The Company will implement ISO 14001 Environmental Management System for its operations.

These measures will ensure that the environmental issues will be sufficiently managed to prevent or minimise impacts on staff and local population as well as on the environment.

Environmental opportunities

The proposed project is expected to bring significant environmental benefits as the new plant will be using state-of-the-art technology and replace older polluting generating units in the region. The project will also help to satisfy future demand for electricity in Bulgaria as old inefficient coal/lignite fired plants are decommissioned. Moreover, the ongoing decommissioning of nuclear power plant units at Kozloduy will need to be replaced by new generating capacity, and the project fits in within this strategy.

The project Company will achieve full compliance with Bulgarian and EU environmental emission standards and will help to attain EU ambient air quality standards in the area.

Summary of Environmental Action Plan

An Environmental Action Plan (EAP) will be developed to ensure the plant will implement environmental standards based on Best Available Techniques. The EAP addresses air emission control, house keeping and the overall management of environment, health and safety issues at the power plant and associated auxiliary operations such as the landfill.

Disclosure of information and consultation

AES has undertaken a public consultation and disclosure programme, in compliance with national and EBRD requirements, commencing in 2000 with an initial EIA.

Disclosed materials

1. 2005 EIA executive summary in English and Bulgarian
2. IPPC permit application in English and Bulgarian
3. 2005 EIA in English (updated 2000 EIA, taking into account recent regulatory changes in EU and Bulgaria)
4. 1999 EIA in Bulgarian

The materials are available in hard copy at the following locations in Bulgaria:

- AES Sofia office (17 Mmoskovska St., Sofia 1000, Bulgaria) contact: Nadja Zelyova

- EBRD Sofia office (67 Vitosha Blvd, 1st Fl., Ap. 4, Sofia 1000) contact: Tero Halmari (also available in London HQ)
- Galabovo Municipality (59 Dimitar Blagoev St., Galabovo) contact: Svetla Shikova, Head of Environmental Department

An announcement about the public consultation period was made on March 30th in the Stara Zagora newspaper.
Additionally, the materials are available on the AES website

Monitoring and reporting

The Company will monitor the environmental impact of its operations in accordance with national law and regulations. The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports prepared for the project covering:
(i) ongoing performance of project-specific environmental, health and safety activities as reflected in the results of periodic and quantitative sampling and measuring programmes, and
(ii) the status of implementation of environmental mitigation and improvement measures. The Bank's representatives will also conduct periodic site supervision visits when deemed appropriate.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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USA
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+359 2988 1275
E-mail: matthew.bartley@aes.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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R

Project name: North-Eastern Bulgaria (EDC Varna and Gorna Oryahovitza)
Country: Bulgaria
Project number: 34982
Business sector: Power and Energy utilities
State/Private: Private sector
Environmental category: C
Board date: 12 July 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 11 May 2005

Project description and objectives:

The Bank is supporting the privatisation of two electricity distribution companies by providing support to a strategic investor. The Bank will partner with E.ON Bulgaria, a 100 % subsidiary of E.ON Energie, the owner of 67% of shares in the Varna and the Gorna Orhahovitza Distribution companies, acquired via a recently held competitive tender. The companies supply 1.1 million customers in the north-eastern part of the country.

Transition impact:

Bank's participation will support the power sector liberalisation process in Bulgaria and in the region in line with the EU directive on Power and with the "Energy Community of South East Europe". Specifically the Bank will:

- support private participation in the power distribution sector;
- support the establishment of a transparent tariff methodology, based on cost pass through and return on investment principles;
- provide comfort to E.ON Energie seeking to invest in Bulgaria by providing additional assurance with respect to political and regulatory risk;
- facilitate operational and financial efficiencies derived from the entrance of E.ON Energie;
- enhance the transparency and credibility of the privatisation process; and
- indirectly catalyse competition and further private participation in the electricity industry.

The client:

E.ON Energie, E.ON Group's business unit for central Europe. The E.ON Group is the largest private-sector provider of energy services in Europe, supplying some 14 million customers with power, gas and water.

EBRD finance:

The transaction consists of a direct equity investment in the distribution companies through purchase of shares from E.ON Bulgaria.

Total project cost:

To be confirmed.

Environmental impact:

The project was screed C/1 requiring an environmental audit of the distribution companies to be privatised.
An environmental audit will be finalised by the end of 2005 as part of the privatisation process, in order to settle any outstanding environmental claims with the Bulgarian government.
Additional environmental due diligence to be carried out by the Bank will address environmental, health and safety issues and identify any potential liabilities. The due diligence will also establish the current status of compliance with Bulgarian and EU environmental health, safety requirements and develop an environmental action plan (EAP) to address any potential deficiencies. There are likely to be considerable energy efficiency opportunities associated with the privatisation process particularly given the presence of experienced and environment-sensitive energy companies.

Technical cooperation:

EUR 1 million for advisory services to the GoB was provided by the European Commission PHARE programme, arranged and administered through the Bank. No further technical cooperation envisaged.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Dr. Thomas Meyer
Head Corporate Development - Eastern Europe
E.ON Energie AG
E-mail: thomas.meyer@eon-energie.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

S

Project name: Toepfer Ukraine W C New Facility 2005
Country: Ukraine
Project number: 36125
Business sector: Agribusiness
State/Private: Private sector
Environmental category: C
Board date: 1 June 2005
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 6 May 2005

Project description and objectives:

The proceeds of the financing will be used by the borrower, Alfred C. Toepfer (Ukraine) Ltd, to originate (i.e. purchase directly from farmers), transport, store and then export the agricultural commodities, or sell them locally, or supply to the leading local food processors in Ukraine.

Transition impact:

The project will continue to inject liquidity directly into the primary agricultural sectors of grain and sunflower-seed farming, where Ukraine has a great natural advantage of probably the best natural growing conditions in the world.

The farming sector in Ukraine is in an early stage of transition and the project will address two obstacles to transition of the sector,

(i) the inefficiency of the primary markets for the origination of agricultural products, resulting in barter transactions, lack of transparency, high volatility and low prices for the farmers

(ii) the lack of trust in a reliable grain warehousing system.

The Project will help achieve the transition objectives as follows:

1. Expansion of competitive interactions and linkages to other sub-sectors, e.g. grain warehousing. Toepfer is strongly committed to the reform of the grain storage sector and to the introduction of the Warehouse Receipt legislation and practices. The visible participation of Toepfer will lead to an increase in the transparency in the grain origination market, reducing the proportion of barter transactions and helping to get better prices for the primary-agriculture producers, the farmers.
2. Syndication of this substantial transaction to foreign commercial banks will enhance the visibility and attractiveness of Ukraine to other Western financiers.
3. Institutional dialogue: In parallel with this project, the Bank has initiated an institutional policy dialogue and signed a Memorandum of Understanding with the Ukrainian authorities regarding creation of the legal framework for this system and related infrastructure. The project will help prepare the ground for introduction of a viable warehouse receipts system in Ukraine.

The client:

The borrower, Alfred C. Toepfer (Ukraine) Ltd, is a fully owned subsidiary of Alfred C. Toepfer International Netherlands BV (the sponsor), a member of Toepfer group, and a leading company trading in agricultural commodities in Ukraine since 1993.

Toepfer group, based in Hamburg, is one of the world's leading agricultural commodities trading companies.

EBRD finance:

The existing facility amount will be reduced from USD120 million to US$ 100 million with up to 62.5% syndicated to commercial banks. The final maturity of the facility will be extended to June 2008 (subject to annual renewal).

Total project cost:

US$ 230 million, inclusive of certain parallel loans from local banks and inter-company loans from the sponsor.

Environmental impact:

C/0. By nature of its business, the client will not be directly involved in any kind of processing activities, therefore, environmental issues associated with the project are not considered to be significant.

Technical cooperation:

None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Bjorn Stendel, General Director of ACTI Ukraine
13 Reytarskaya 2nd floor, Kiev, Ukraine
Tel.: +38 044 229 2155/2097/230 2682/2692

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
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T

Project name:	Bunge Post Harvest Financing Facility
Country:	Ukraine
Project number:	34873
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	C
Board date:	7 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	6 May 2005

Project description and objectives:

The proposed project will consist of two elements:

- USD 180 million non-recourse revolving unsecured pre/post harvest financing, part of which can be used for pre-financing purposes.
- USD 36 million long term financing for the construction of a greenfield edible oil crushing facility in the port of Ilichevsk, South Ukraine

Transition impact:

The transition impact of the Project will derive from the upstream linkages and transfer of know-how to the agricultural sector of Ukraine, as well as increased competition and market consolidation expected to result from increased edible oil crushing capacity. Transition impact will also derive from pre-financing of farmers, so far extremely limited in Ukraine, and to be tentatively developed under the pre/post harvest financing facility subject to adequate legal framework.

The client:

Suntrade S.E., the agricultural commodities' procurement vehicle of the Sponsor in Ukraine; and
DOEP, the Sponsor's existing edible oil crushing, refining and bottling plant in Dniepropetrovsk, Ukraine.
ZAO Black Sea Industries Ukraina Limited, a 50/50 joint venture of Bunge Limited (the "Sponsor") and local partners, organised for building and operating the edible oil crushing plant contemplated under the Project.

EBRD finance:

Up to US$40m unsecured revolving working capital facility available to Suntrade S.E. and DOEP.
Up to US$ 18 million medium-term guaranteed loan to ZAO Black Sea Industries.

Total project cost:

USD 216m.

Environmental impact:

Pre-Post Harvest Financing facility
The project was screened C/1 requiring an environmental audit in the form of a corporate environmental review.
This is ongoing and will need to review environment, health and safety issues and their management by Suntrade and DOEP. The review will also focus on whether they have the required environmental permits to operate and that they comply with national and EU standards for environment, health & safety and worker protection legislation. Any outstanding issues identified will be incorporated into an environmental action plan which will be reviewed, agreed and implemented by the Companies. The Companies will provide the Bank with annual environmental reports.

Black Sea Industries
The project was screened B/0 requiring an environmental analysis of the impacts associated with the construction of the new crushing plant. In order to obtain the construction license of the plant, the Company provided the environmental authorities with a full description and impact assessment of the Project and a review of the soil contamination by independent experts to ensure that the project would meet national environment, health and safety standards. License to

operate the plant will be granted upon confirmation by the environmental authorities that the plant is built to national environment, health and safety standards. The plant will also be built to relevant EU environment, health and safety standards. The Bank is in the process of finalising its environmental due diligence on the Project which will include public disclosure in accordance with national and Bank requirements. The Company will provide the Bank with an annual environmental report.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Bunge Europe
Bruce Tomlinson
Route de Florissant 13
P.O. Box 518
CH-1211 Geneva 12

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

U

Project name:	BD Logistics - Debt
Country:	Russia
Project number:	35405
Business sector:	Property
State/Private:	Private sector
Environmental category:	B
Board date:	7 June 2005
Status:	Passed final review, Pending board approval
Date PSD disclosed:	
Date PSD updated:	6 May 2005

Project description and objectives:

The proposed project will finance the development, construction and operation of two international standard warehouses in Moscow region.

Transition impact:

The proposed project will contribute to fulfilling the long term unmet demand for international standard warehousing and logistics facilities in Russia, and will introduce to the Russian market improved standards of warehouse construction management techniques.

The client:

A special purpose company will be registered in Russia which will be owned by ZAO Agrofirma Belaya Dacha Holding and the Bank.

EBRD finance:

Equity investment of USD 4.3 million representing 34% of the Company's equity. Senior Loan of USD 23.3 million structured as A/B Loan comprising Bank 'A' loan of USD 8.3 million and Participants (commercial banks) 'B' loan USD 15 million.

The Bank's total exposure will be in the region of 35% of total Project Costs.

Total project cost:

USD 35.9 million.

Environmental impact:

Description of the proposed project

The Bank will provide equity investment of USD 4.3 million representing 34% of the Company's equity as well as Senior Loan of USD 23.3 million structured as A/B Loan comprising Bank 'A' loan of USD 8.3 million and Participants (commercial banks) 'B' loan USD 15 million. The proposed project will finance the development, construction and operation of two international standard warehouses in Moscow region.

Screening categories and rationale for classification
A large scale property development such as this project has specific environmental impacts which, however, can be readily identified and prevented through adequate measures and application of good international practice. For

the above reasons, the EBRD has classified the project B/1, requiring an Environmental Analysis and Audit of the proposed site and associated facilities.

Information reviewed during the environmental appraisal
Soil and radiation test results on the adjunct area of the project site where the Sponsor already developed warehouse buildings as well as the completed Environmental Questionnaire have been reviewed by the Bank. An audit report and other relevant documents will be provided for the Bank's review shortly as part of environmental due diligence.

Environmental impacts and mitigation measures
Early findings of the environmental due diligence confirm that the project has been structured in accordance with Russian environmental requirements and good international practice.

A specific site audit is currently being conducted focusing on the following issues:
(i) confirmation of compliance with environmental legal requirements;
(ii) soil and ground water contamination analysis.
An Environmental Action Plan (EAP) might be required if any significant shortcomings are identified during the due diligence. The company will be required to ensure that it complies with Russian and EU environmental, health and safety standards and requirements. To achieve that, the company will incorporate all necessary preventive and mitigation measures into the project design as well as commit itself to good international practice.

Environmental opportunities
The project will allow for urban regeneration through the utilisation of the brown-filed site. In addition, the project will use energy efficient materials and technology in operation of the warehouses.

Monitoring
The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports (AER) prepared for the project covering: (1) on-going performance of project-specific environmental, health and safety programmes if applicable, and (ii) the status of implementation of environmental mitigation measures.
Summary in Russian (0.1Mb)

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Website: http://www.belaya-dacha.ru

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

V

Project name:	Banca Transilvania - Second capital increase
Country:	Romania
Project number:	36132
Business sector:	Financial Institutions: Bank equity/Bank lending
State/Private:	Private sector
Environmental category:	FI
Board date:	7 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	6 May 2005

Project description and objectives:

BT registered outstanding results over the last 12 months, exceeding the most optimistic expectations, and additional capital is required for the bank to continue the same pace of growth.

The subscription of newly issued shares of Banca Transilvania (BT) is part of a new capital increase to take place in June 2005. In parallel, BT is also raising USD 25 million (EUR 19.2 million) in tier II capital. EBRD's investment will total approximately € 2.2 million and will allow the Bank to retain its 15% stake in BT.

Such capital increase will further support BT's growth in the Romanian banking sector. The strategy of BT will remain to consolidate its market position by developing a financial group including not only banking but also leasing, asset management, brokerage, consumer finance and insurance. BT is particularly strong in the SME and retail sectors.

Transition impact:

EBRD’s original equity investment in BT was aimed at contributing to the development and strengthening of a privately owned bank, as well as promoting improvements in its corporate governance.

EBRD’s role in BT has been particularly important in promoting higher corporate governance standards, in strengthening the bank’s management and in supporting the ambitious strategy that is currently being implemented. BT is currently the first largest bank in Romania in the hands of local private investors and is one of the fastest growing banks in the country, increasing consistently its market share. BT is also one of the most traded companies in the Bucharest Stock Exchange.

The proposed participation in BT’s capital increase, just like the participation in the first capital increase completed in 2004, will allow the EBRD to retain its 15% stake and confirms the confidence in BT and its growth prospects. It is consistent and reinforces the objectives of the original equity investment by providing the necessary means for the bank to continue expanding its operations. The ultimate goal is for BT to further develop into a more modern and efficient institution, which will contribute to the competitiveness of Romania’s banking sector and to the increase in availability of funding to local companies.

The client:

BT is a medium-size commercial bank registered and operating under Romanian law. As of end 2004, it has 2.9% market share of total banking assets, total balance sheet of EUR 668.6 million, equity of EUR 75.1 million and a net profit of EUR 15.3 million.

EBRD finance:

Subscription of 20,025,000 newly issued shares of BT for ROL 4,000 each, as part of a capital increase to take place in June 2005.

Total project cost:

EUR 14.8 million

Environmental impact:

BT will continue to comply with EBRD's Environmental Procedures for Intermediated Financing through Local Banks, including adherence to the Environmental Exclusion and Referral List, compliance with the applicable national environmental, health and safety and public consultation requirements, and submission of annual environmental reports to the EBRD.

Technical cooperation:

None for this transaction. BT benefited from Technical Cooperation under the EU/EBRD SME Facility to finance the consultancy services of Shorebank Advisory Services from January 2000 to April 2003.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

BANCA TRANSILVANIA
CLUJ-NAPOCA, G Baritiu Street, no. 8
e-mail: bancatransilvania@bancatransilvania.ro
Phone: (40)-264-407150
Fax: (40)-264-407179

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
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W

Project name:	BPH Property Fund
Country:	Poland
Project number:	35476
Business sector:	Property
State/Private:	Private sector
Environmental category:	FI
Board date:	28 June 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	6 May 2005

Project description and objectives:

The proposed project considers creation of a Polish on-shore closed-end property fund, to be managed by BPH TFI, a Fund Management Company. The Fund's objective will be to pursue long-term equity gains through investment in medium size real estate including office, warehousing and retail in Poland and possibly in other Central and Eastern European Countries. The Fund will be publicly traded on the secondary market of Warsaw Stock Exchange ("WSE"), subject to WSE's acceptance.

Transition impact:

The Bank's investment in the Fund would support creation of an on-shore listed vehicle denominated in the local currency that shall provide the domestic institutional and individual investors with the possibility to invest in real estate. The project will also contribute to creation of secondary market for quality real estate projects developed in Poland. The Bank's involvement will ensure creation of a market standard for this still new instrument in the market.

The client:

BPH TFI, a Fund management company established in 1998, 61% owned by Bank BPH S.A. (through a 100% owned special purpose vehicle, BPH PBK Fund Management) and 39% by Capital Invest (100% owned by Bank Austria Creditanstalt AG). BPH Bank is majority owned by HVB Group.

BPH TFI creates and manages investment funds for retail and institutional clients in Poland. The funds invest the entrusted resources in financial instruments on the capital and money markets. As of 31 March 2005 the volume of assets allocated in 12 of the BPH TFI's funds was approximately Euro 360 million.

EBRD finance:

The lesser of PLN 58.2 million (Euro 13.2 million) and 15% of the Fund, subject to the final size of the Fund and minimum closing amount.

Total project cost:

Up to PLN 388 million (approximately Euro 93 million equivalent).

Environmental impact:

Screened FI.
The Fund will be required to implement the Bank's Environmental Procedures for Property Development and Acquisition Funds to conduct environmental due diligence and monitoring of each sub-project, to ensure that each sub-project complies with relevant national and EU environmental, health and safety standard and requirements and to submit annual report on environmental, health and safety issues to the Bank.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

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BPH TFI S.A.
Warsaw Financial Center
53 Emilii Plater Str.
00-113 Warsaw, Poland
phone: +48-22-520-9799
fax: +48-22-520-9798

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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X

Project name:	EU/EBRD Extention 6 - SME Finance Facility FRW
Country:	Regional
Project number:	35894
Business sector:	Financial Institutions: Bank equity/Bank lending
State/Private:	Private sector
Environmental category:	FI
Board date:	7 June 2005
Status:	Passed final review, Pending board approval
Date PSD disclosed:	
Date PSD updated:	6 May 2005

Project description and objectives:

The proposed project is an increase of up to EUR 200 million of the existing Facility (totalling EUR 1,000 million). It consists of a framework operation in favour of financial intermediaries incorporated in the EU Accession countries (Bulgaria, Romania, Croatia) and in the New Member states (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, Slovenia). The Facility provides medium and long-term funds to banks and leasing companies with the aim to facilitate access to finance for the small and medium-sized enterprises (SMEs) in the above eligible countries.

The Facility provides a Performance Fee to compensate participating financial intermediaries for the extra administrative costs to finance SMEs and for the risks of entering a new market segment. Technical assistance Is also provided to enhance risk management, streamlining operations and for product development related to SME financing. To date, the European Commission (EC) has contributed EUR 138.75 million to support the institutional building element of the Facility.

Sub-projects:

View a list of sub-projects for this and other framework projects.

Transition impact:

Transition impact of the Facility stems from two separate sources. First, the Facility targets the outreach of local banks and leasing companies to new micro and small enterprises, therefore its first source of transition impact is in the support to entrepreneurship. Second, the Facility targets the creation or improvement of sustainable sources of finance for micro and SMEs, therefore its second source of transition impact is in the demonstration of new ways to finance business.

The client:

Financing will be channelled through participating banks and leasing companies in the eligible countries that can demonstrate a satisfactory financial viability, a capable management team and commitment to small and medium-sized enterprises in their lending/leasing policy.

EBRD finance:

EUR 200 million.

Total project cost:

EUR 200 million.

Environmental impact:

The financial intermediaries funded by EBRD under the Facility must apply EBRD's Environmental Procedures for Small and Micro Loans and Environmental Procedures for Leasing Companies respectively to all sub-loans and leases supported through the Facility. The procedures to be adopted will also include the Bank's Environmental Exclusion and Referral List. In implementing these procedures, the financial intermediaries will assess potential environmental issues associated with SMEs, which are required to comply, at a minimum, with local/national health, safety and environmental requirements.

Technical cooperation:

Up to EUR 9 million, to be funded by the EC under the 2005 contribution.
The technical cooperation funds will be used to contribute to institution building through enhancement and streamlining of SME lending/leasing procedures, training of staff, strengthening of Management Information Systems and marketing strategy, aiming to enable the participating institutions to build long-term capacity to provide financing to SMEs on a sustainable basis.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

N/A

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

Y

Project name: Tvornica Opeke Sarajevo (TOS)
Country: Bosnia and Herzegovina
Project number: 35710
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B
Board date: 7 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 5 May 2005

Project description and objectives:

The proposed project consists of the renovation of a disused brick factory in Sarajevo for production of a range of clay bricks. The funds will be used for the reconstruction of the building and acquisition of new equipment for TOS, a subsidiary of Nasicecement d.o.o from Croatia (the "Sponsor"). The Sponsor is a cement and building materials producer with operations in the former Yugoslav region. The aim is to support the Sponsor in becoming a diversified producer of building materials.

Transition impact:

The main transition impact of the proposed project will derive from the increased competition due to higher local production, a new product range of high quality and improved cost effectiveness. The proposed project will promote cross-border investments and regional consolidation in the industry.

TOS will be organised with best standards of practice and corporate governance. It will follow the corporate governance guidelines of the Sponsor that will include transparent processes and procedures in decision making. The proposed project will benefit from a management and human resources plan that the Sponsor is currently implementing.

The client:

TOS, as a subsidiary of the Sponsor established to own and operate a brick factory in Sarajevo for production of a range of clay bricks.

EBRD finance:

EUR 6.2 million senior debt.

Total project cost:

EUR 13.2 million.

Environmental impact:

The project has been classified B/1, requiring an environmental analysis and an environmental audit.

The environmental investigations are under way. The project will be structured to meet applicable EU standards or other good international practice. An environmental action plan will be agreed between the Company and the Bank. In accordance with Bank requirements, a summary of the relevant environmental issues associated with the project and mitigation measures, action plans and other initiatives agreed will be disclosed in the local language at or near the project site. The Company will provide the Bank with annual environmental reports.

This section will be updated and amended as soon as the environmental due diligence has been completed.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Dario Sertic, Chief Financial Officer, Nasicecement d.o.o.
Nasicecement d.o.o.
Tajnovac 1
Soljan
31500 Nasice
Croatia
Tel: 385 31 616 374
Fax: 385 31 609 029
Email: dario.sertic@nasicecement.hr

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

III. ADDITIONAL INFORMATION AND ASSISTANCE:

A. US Commercial Service EBRD Liaison Office (CS-EBRD): CS-EBRD is an integral part of U.S. representation at the EBRD with a mandate to increase the effectiveness of U.S. participation in the Bank's projects. For more information about project opportunities at the European Bank for Reconstruction and Development (EBRD) please contact:

Alice Davenport
Senior Commercial Officer
Commercial Service EBRD Liaison Office

OR

Louise Hardiman
Senior Commercial Specialist
Commercial Service EBRD Liaison Office

Tel: 44-20-7588-8490, fax: 44-20-7588-8443.
Web: www.buyusa.gov/ebrd
E-mail: Alice.Davenport@mail.doc.gov or Louise.Hardiman@mail.doc.gov

Note: CS-EBRD can offer its services only to US companies. EBRD procurement opportunities can be viewed at www.ebrd.com/oppor/procure/opps/index.htm. An updated list of EBRD publications can also be found on the main website www.ebrd.com

B. **BISNIS:** The Business Information Service for the Newly Independent States (BISNIS). Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Russia, Ukraine, Uzbekistan. Web: www.bisnis.doc.gov Tel: +(202) 482-4655, Fax + (202) 482-2293.

C. **CEEBIC:** Central and Eastern Europe Business Information Center (CEEBIC). Countries of covered: Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, FYR Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia & Montenegro, Slovak Republic, Slovenia. Web: http://www.mac.doc.gov/ceebic Tel: +(202) 482 2645, Fax: +(202) 482 4473